



MINERAL INFORMATION SERVICE

Vol. 5

January 1, 1952

No. 1

MINERAL INFORMATION SERVICE is a monthly news release concerning the mineral resources and industry of CALIFORNIA, designed to inform the public of the discoveries, operations, markets, statistics, and new publications. It is distributed without cost upon request.

CALIFORNIA QUICKSILVER MINING DURING 1951

The outbreak of war in Korea in June 1950 introduced a period of international tension resulting in the formulation of a national defense program in the United States. Because quicksilver is a strategic mineral which may be sold at high prices during such periods of world instability, foreign producers initiated a series of sharp price advances which culminated in a New York quotation of \$225 per flask on January 25, 1951. Thus the price of this mineral commodity was trebled in a period of seven months.

Although considerable interest was created among domestic quicksilver producers, there was no immediate rush to reopen the larger mines which had been closed since the termination of World War II. Some of the operators, however, began to rehabilitate their properties in the hope that a government program of price stabilization might be established which would permit profitable operation. Such a program would justify more extensive capital outlays for reconditioning the mines and ore-treatment plants.

Up to December 1951, however, no price-stabilization program had been established. The principal new activity in the quicksilver mines of California centered about long established districts, Mayacmas, Knoxville, New Idria, and New Almaden. Mt. Jackson mine near Guerneville, Sonoma County, was the only major property in the United States to produce quicksilver continuously throughout the years 1950 and 1951.

The quantity of quicksilver produced in California during 1950 was about 3400 flasks. This was the smallest production in the state since 1921. It is estimated that the California quicksilver production for 1951 will exceed that of 1950 by at least 50 percent as a result of the renewed activity at the mines.

New Legislation Affecting Quicksilver Mining. The Department of the Interior and the Defense Minerals Administration on April 6, 1951, agreed upon the

allocation of \$10,000,000 toward a program to promote exploration for strategic and critical minerals for national defense. DMA Mineral Order #5 set forth the details governing aid in this exploration program. The percentage of government funds in proportion to the total cost of each approved individual project was to be 75 percent in the case of quicksilver. The government loan was to be repaid out of production in case a commercial discovery was made. Where no commercial discovery was made, repayment of the loan was not required.

On August 6, 1951, DMA announced the approval and signing of two contracts for quicksilver exploration in California under this program. The first contract was awarded to the Cordero Mining Company for exploration at the New Almaden mine in Santa Clara County. The amount of government participation was \$150,621. The second contract was awarded to the Altoona Quicksilver Mining Company and the amount of government participation was \$67,839. The Altoona mine is in Trinity County. On September 21st the DMA announced approval of a contract with the California Quicksilver Mines, Inc., for quicksilver exploration at the Abbott mine in Lake County. The amount of government participation was \$29,580.

New Quicksilver Discoveries or Developments. Perhaps the most potentially significant new development occurred at the Dewey mine, 1½ miles northwest of The Geysers, Sonoma County. Cinnabar was discovered in 1941, and was worked on a small scale chiefly by Mr. and Mrs. Frank Dewey up to 1945. During that time a substantial quantity of quicksilver was produced. The property appeared worthy of more extensive development, but a decline in the price of mercury retarded progress in this direction. Early in 1951, however, an operating agreement between Dewey and Buckman, Inc. was negotiated. Buckman, Inc. controls a firm in Memphis, Tennessee, which manufactures a series of chemicals used in the paper industry, tanning industry, for treating fabrics, and for other industrial purposes. After a study of California